

State of New Jersey Aggregation for Green Power Purchase



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Governor

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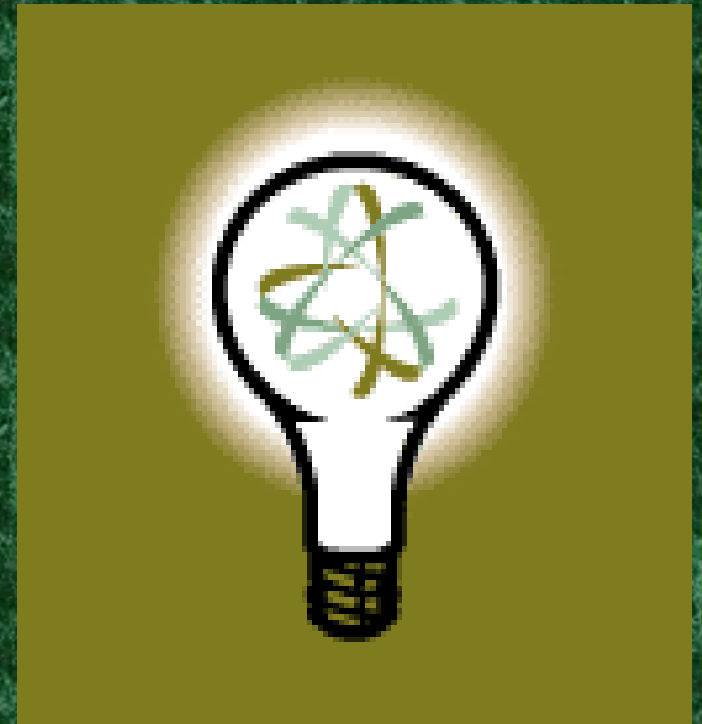
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Purchasing Requirements

- Purchasing Green Power requires a utility specific tariff or a deregulated marketplace for electricity
- Green Power offerings directly from utilities have been limited
- 24 States and the District of Columbia have or are in the process of deregulating electricity
- 6 States have delayed implementation and California has suspended deregulation

New Jersey's Program

- 12% / 86 million kWh / year
- Part of comprehensive energy management program
- Builds on success of existing energy group - Natural Gas
- NJ Interagency Coordinating Committee
- Common use of State Contract



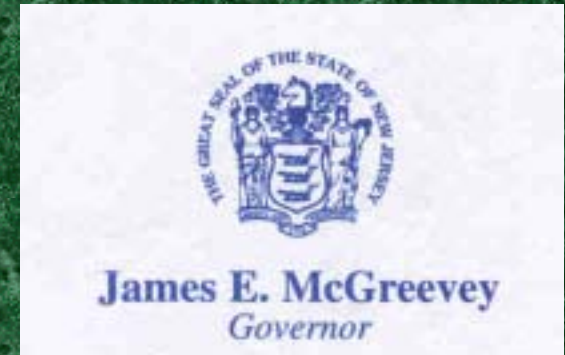
NJ Consolidated Energy Savings Program



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NJ Consolidated Energy Savings Program

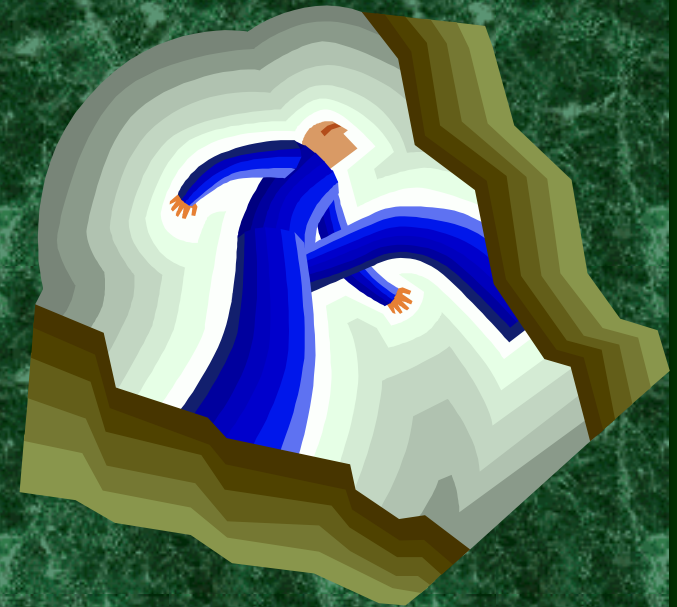
- Led by State of New Jersey Treasurer
- 15 Public Sector Partners



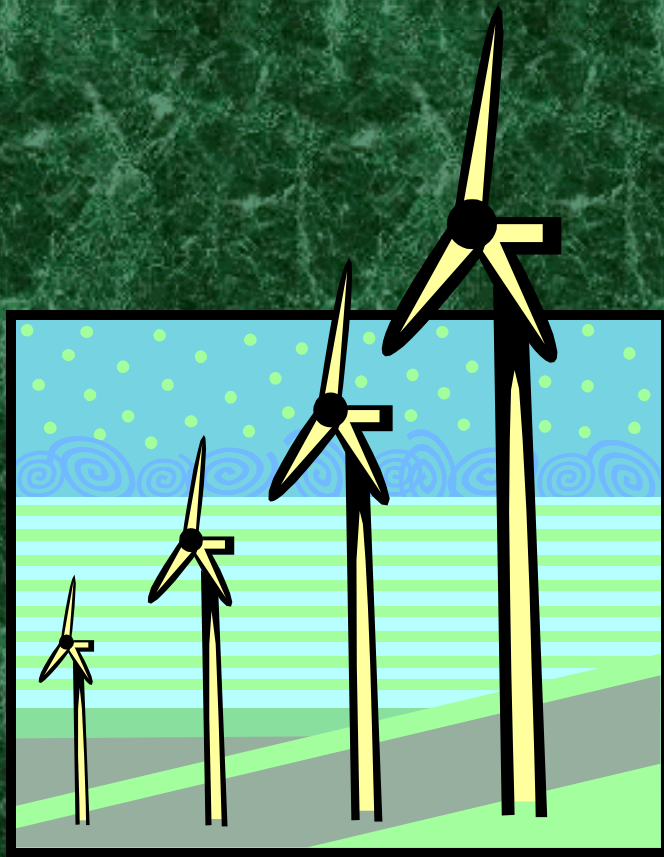
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Challenges

- Public procurement law – low bid
- Lock-in mechanism and timely review of bids
- Contract terms have significant impact on premium costs
- Set-aside vs. improved label
- Green criteria applied to regular load on top of set-aside



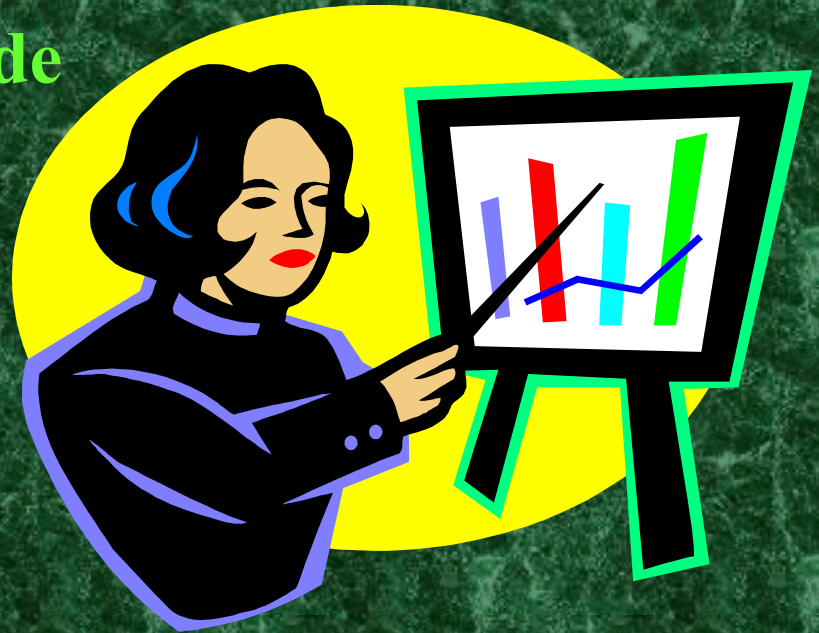
Challenges



- Green-e Certification
- Memorandum of Understanding – shared risk/rewards
- Cost premium cap
- Lack of suppliers – negotiated contract

Green Benefits

- Reduce air pollution
 - 30,000 tons carbon dioxide
 - 80 tons nitrous oxides
- Less dependence on finite resources
- Help meet air quality standards
- Shows State commitment to renewable energy



Procurement Benefits



- One State Contract versus 15 procurements
- Shared technical knowledge
- Shared consulting costs
- Economies of scale – larger volume through aggregation

Why We Purchase Green Power

- Governor's Office direction
- 1999 first contract for green power
- NJ involved in litigation to reduce electric generation air pollution
- Part of state implementation plan for reduction of greenhouse gas emissions



Governor Whitman strong support and funding

Why We Purchase Green Power



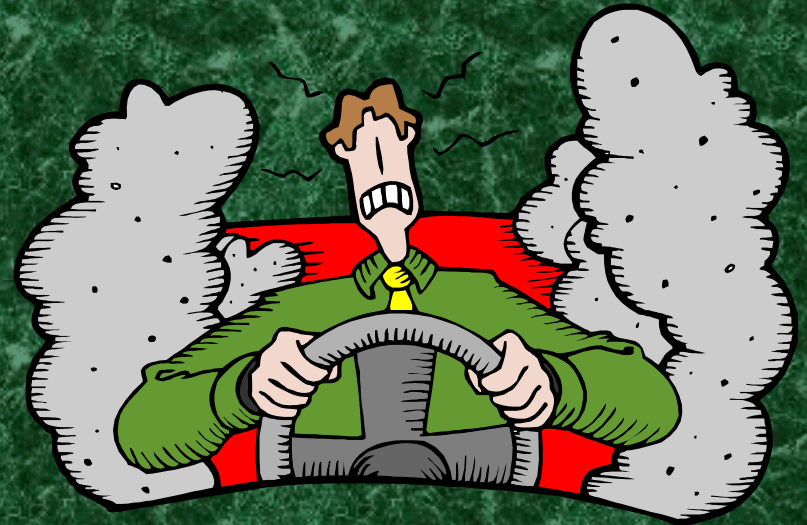
Governor McGreevey
\$1.3 million appropriation

- **Approved 2002 – 2003 contract extension**
- **Provided funding despite fiscal crisis in State**
- **Cabinet press conference**
- **Contract for NJCESP energy consultant**
- **Committed to environment**

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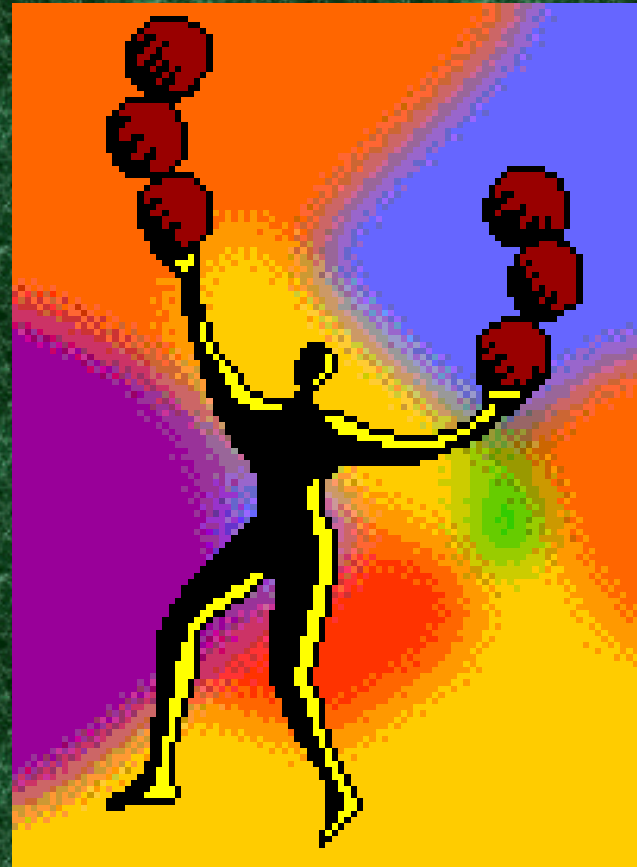
Green Power Market Demand

- States with air quality issues are more likely to buy green power
- States with pending litigation over air quality are more likely to buy green power



Green Power Market Demand

- **State governments have dual responsibilities as policy leaders and energy customers**
- **Demand could easily double in New Jersey if County and Municipal governments joined**
- **Purchases as a % of total requirements can increase as premium costs come down**



Green Power Sell to Government

Attend public procurement conferences – get on the agenda (naspo.org)

Watch for state contracts for power purchases – look for set-aside or clean air requirement

Attend pre-bid conferences – ask questions – make suggestions



Green Power Sell to Government

- Get copies of state contracts
- Review terms and conditions to identify problems or cost adders
- Work with procurement departments to improve the contract
- Bring copies of successful state contracts when you canvass other states



Green Power Sell to Government

- Monitor state public utility commission regulatory actions
- Participate in state legislative actions – support mandatory renewable energy goals



Green Power Sell to Government

- Make the Business Case
 - Resource conservation
 - Less dependence on finite resources
 - Water/sewer conservation
 - Clean air



For Additional Information

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NJ TRANSIT **“The Way to Go”** ***GREEN***



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